

Deloitte Haskins & Sells LLP

Chartered Accountants

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INDEPENDENT AUDITOR'S REPORT

To The Members of IIFL Trustee Limited Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **IIFL Trustee Limited** ("the Company"), which comprise the Balance Sheet as at 31st March 2021, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2021, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Information Other than the Financial Statements and Auditor's Report Thereon

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's Report including Annexures to Director's report but does not include the financial statements and our auditor's report thereon. The Director's Report expected to be made available to us after the date of this auditor's report.
- Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.



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- In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- When we read the Directors' report including Annexures to Directors report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditor's responsibilities Relating to Other Information'.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



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- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.

Regd. Office. One International Center, Tower 3, 27th -32nd Floor, Senapati Bapat Marg, Prabhadevi (West), Mumbai – 400 013, India.
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- e) On the basis of the written representations received from the directors as on 31st March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act
 - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position as at 31st March 2021.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)



Pallavi A. Gorakshakar
(Partner)
(Membership No.105035)
(UDIN: 21105035AAAAEK6382)

Place: Mumbai
Date: 15 May 2021

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ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT (Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **IIFL Trustee Limited** ("the Company") as of March 31, 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.



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Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the criteria for internal financial control over financial reporting established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Pallavi A. Gorakshakar
(Partner)
(Membership No.105035)
(UDIN: 21105035AAAAEK6382)

Place: Mumbai
Date: 15 May 2021

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ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

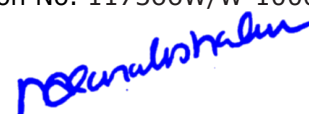
- (i) To the best of our knowledge and according to the information and explanations given to us, the Company does not have any fixed assets and hence reporting under clause (i) of the CARO 2016 is not applicable.
- (ii) To the best of our knowledge and according to the information and explanations given to us, the Company does not have any inventory and hence reporting under clause (ii) of the CARO 2016 is not applicable.
- (iii) To the best of our knowledge and according to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- (iv) To the best of our knowledge and according to information and explanation given to us the Company has not granted any loans, made investments or provided guarantees and securities under the provisions of Sections 185 and 186 of the Act and hence reporting under clause (iv) of the CARO 2016 is not applicable.
- (v) To the best of our knowledge and according to the information and explanations given to us, the Company has not accepted any public deposit during the year and hence reporting under clause (v) of CARO 2016 is not applicable.
- (vi) To the best our knowledge and according to the information and explanations given to us the Central Government has not prescribed the maintenance of cost records under section 148(1) of the Companies Act, 2013 in respect of the services rendered by the Company.
- (vii) To the best of our knowledge and according to the information and explanations given to us, in respect of statutory dues:
 - a) The Company has generally been regular in depositing undisputed statutory dues, including Income tax, Goods and Service Tax, and other material statutory dues applicable to it to the appropriate authorities. According to the information and explanations given to us, Custom Duty, Excise Duty, and Employees' State Insurance dues are not applicable to the Company.
 - b) There were no undisputed amounts payable in respect of Income tax, Goods and Service Tax, and other material statutory dues in arrears as at March 31, 2021 for a period of more than six months from the date they became payable.
 - c) There are no dues of Income-tax, and Goods and Service Tax which have not been deposited as on March 31, 2021 on account of disputes.
- (viii) To the best of our knowledge and according to the information and explanations given to us, the Company has not taken any loans or borrowings from financial institutions, banks and government or has not issued any debentures. Hence reporting under clause (viii) of CARO 2016 is not applicable.



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- (ix) To the best of our knowledge and according to the information and explanations given to us, the Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the CARO 2016 is not applicable.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) To the best of our knowledge and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 Order is not applicable.
- (xiii) To the best of our knowledge and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv) To the best of our knowledge and according to the information and explanations given to us, during the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 is not applicable to the Company.
- (xv) To the best of our knowledge and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its Holding Company or persons connected with him and hence provisions of section 192 of the companies Act, 2013 are not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)



Pallavi A. Gorakshakar
(Partner)
(Membership No.105035)
(UDIN: 21105035AAAAEK6382)

Place: Mumbai
Date: 15 May 2021

FINANCIAL STATEMENT OF IIFL TRUSTEE LIMITED
BALANCE SHEET AS AT MARCH 31, 2021

(₹ in Thousands)

| S.No. | Particulars | Note No. | As at March 31, 2021 | As at March 31, 2020 |
|----------|---|----------|----------------------|----------------------|
| | ASSETS | | | |
| 1 | Financial Assets | | | |
| (a) | Cash and cash equivalents | 3 | 29,172.85 | 781.40 |
| (b) | Bank balance other than (a) above | 4 | 575.00 | - |
| (c) | Receivables | 5 | | |
| | (I) Trade receivables | | 12,035.59 | 25,389.83 |
| | (II) Other receivables | | 153.18 | 200.68 |
| (d) | Investments | 6 | - | 39,114.69 |
| (e) | Other financial assets | 7 | 10.00 | 10.00 |
| 2 | Non-Financial Assets | | | |
| (a) | Current tax assets (net) | | 568.72 | 28.42 |
| (b) | Deferred tax assets (net) | 12 | 14.62 | - |
| (c) | Other non-financial assets | 8 | 85.50 | - |
| | Total Assets | | 42,615.46 | 65,525.02 |
| | LIABILITIES AND EQUITY | | | |
| | LIABILITIES | | | |
| 1 | Financial Liabilities | | | |
| (a) | Payables | | | |
| | (I) Trade payables | | | |
| | (i) total outstanding dues of micro enterprises and small enterprises | | | |
| | (ii) total outstanding dues of creditors other than micro enterprises and small enterprises | 9 | 3,343.91 | 2,219.60 |
| (b) | Other financial liabilities | 10 | 446.39 | 300.00 |
| 2 | Non-Financial Liabilities | | | |
| (a) | Current tax liabilities (net) | | 5,306.60 | 4,799.47 |
| (b) | Provisions | 13 | 57.91 | - |
| (c) | Deferred tax liabilities (net) | 12 | - | 102.15 |
| (d) | Other non-financial liabilities | 14 | 2,341.89 | 1,541.88 |
| 3 | EQUITY | | | |
| (a) | Equity share capital | 15 | 5,000.00 | 5,000.00 |
| (b) | Other equity | 16 | 26,118.76 | 51,561.92 |
| | Total Liabilities and Equity | | 42,615.46 | 65,525.02 |

See accompanying Notes to the Financial Statements

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants



Pallavi A. Gorakshakar
Partner

For and on behalf of the Board of Directors



Siddhartha Sengupta
Chairman
(DIN: 08467648)



R. Mohan
Director
(DIN: 00012070)

Place : Mumbai
Dated: May 15, 2021

Place : Mumbai
Dated: May 15, 2021

FINANCIAL STATEMENT OF IIFL TRUSTEE LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2021

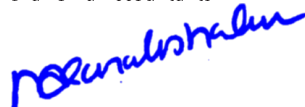
(₹ in Thousands)

| SR. No. | Particulars | Note No. | 2020-21 | 2019-20 |
|-------------|---|----------|------------------|------------------|
| 1 | Revenue from operations | | | |
| (a) | Fees and commission income | 17 | 37,962.76 | 34,808.66 |
| | Total revenue from operations | | 37,962.76 | 34,808.66 |
| 2 | Other income | 18 | 1,872.50 | 1,980.73 |
| 3 | Total income (1+2) | | 39,835.26 | 36,789.39 |
| | Expenses | | | |
| (a) | Finance costs | 19 | 16.42 | 3.79 |
| (b) | Impairment on financial instruments | 20 | (2.58) | 2.76 |
| (c) | Employee benefits expenses | 21 | 757.95 | - |
| (d) | Other expenses | 22 | 6,451.77 | 3,521.64 |
| 4 | Total expenses | | 7,223.56 | 3,528.19 |
| (V) | Profit / (loss) before exceptional items and tax (III-IV) | | 32,611.70 | 33,261.20 |
| (VI) | Exceptional items | | | |
| 5 | Profit before tax (3-4) | | 32,611.70 | 33,261.20 |
| 6 | Tax expense: | | | |
| (a) | Current tax | | 8,230.40 | 8,628.56 |
| (b) | Deferred tax | | (131.57) | 102.15 |
| 7 | Profit for the period (5-6) | | 24,512.87 | 24,530.49 |
| 8 | Other comprehensive income | | | |
| (a) | (i) Items that will not be reclassified to profit or loss | | 58.77 | - |
| | (ii) Income tax relating to items that will not be reclassified to profit or loss | | (14.79) | - |
| | Subtotal (a) | | - | - |
| (b) | (i) Items that will be reclassified to profit or loss | | - | - |
| | - Foreign currency translation reserve | | - | - |
| | (ii) Income tax relating to items that will be reclassified to profit or loss | | - | - |
| | Subtotal (b) | | - | - |
| | Other comprehensive income (a+b) | | 43.98 | - |
| 7 | Total comprehensive income for the period | | 24,556.85 | 24,530.49 |
| 8 | Earnings per equity share | | | |
| | Basic (Rs.) | 23 | 49.03 | 49.06 |
| | Diluted (Rs.) | 23 | 49.03 | 49.06 |

See accompanying Notes to the Financial Statements

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants



Pallavi A. Gorakshakar
Partner

For and on behalf of the Board of Directors



Siddhartha Sengupta
Chairman
(DIN: 08467648)



R. Mohan
Director
(DIN: 00012070)

Place : Mumbai
Dated: May 15, 2021

Place : Mumbai
Dated: May 15, 2021

FINANCIAL STATEMENT OF IIFL TRUSTEE LIMITED
STATEMENT OF CASHFLOWS FOR THE YEAR ENDED MARCH 31, 2021

(₹ in Thousands)

| Particulars | 2020-21 | 2019-20 |
|---|--------------------|--------------------|
| A. Cash flows from operating activities | | |
| Net profit before taxation and extraordinary item | 32,611.70 | 33,261.20 |
| Adjustments for: | | |
| Provisions for gratuity | 57.91 | |
| Net changes in fair value through Profit and Loss of investments | 408.67 | (408.67) |
| Provision for Expected credit loss | (2.58) | 2.76 |
| Interest expenses | 16.42 | 3.79 |
| (Profit)/loss on sale of investments | (2,281.17) | (1,572.06) |
| Operating profit before working capital changes | 30,810.96 | 31,287.02 |
| Changes in working Capital : | | |
| (Increase)/ Decrease in Financial/Non-financial Assets | 12,743.79 | 13,403.16 |
| Increase/ (Decrease) in Financial/Non-financial Liabilities | 2,144.28 | (559.60) |
| Cash (used in)/ generated from operations | 45,699.02 | 44,130.58 |
| Cash generated from operating activities | 45,699.02 | 44,130.58 |
| Cash flow before extraordinary item | | |
| Net income tax(paid) / refunds | (8,278.35) | (7,098.38) |
| Net cash (used in)/ generated from operating activities (A) | 37,420.67 | 37,032.19 |
| B. Cash flows from investing activities | | |
| Purchase of investments | (98,500.00) | (2,78,775.00) |
| Sale of investments | 1,39,487.20 | 2,41,641.03 |
| Net cash (used in)/generated from investing activities (B) | 40,987.20 | (37,133.97) |
| C. Cash flows from financing activities | | |
| Dividend paid (including dividend distribution tax) | (50,000.00) | |
| Borrowings - taken from Group Companies | 45,000.00 | 48,000.00 |
| Borrowings - repaid by Group Companies | (45,000.00) | (48,000.00) |
| Interest paid | (16.42) | (3.79) |
| Net cash used in financing activities (C) | (50,016.42) | (3.79) |
| Net (decrease)/increase in cash and cash equivalents (A+B+C) | 28,391.44 | (105.55) |
| Opening Cash & cash equivalents | 781.40 | 886.97 |
| Closing Cash & cash equivalents | 29,172.85 | 781.40 |

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants



Pallavi A. Gorakshakar
Partner

For and on behalf of the Board of Directors



Siddhartha Sengupta
Chairman
(DIN: 08467648)



R. Mohan
Director
(DIN: 00012070)

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Place : Mumbai
Dated: May 15, 2021

Place : Mumbai
Dated: May 15, 2021

FINANCIAL STATEMENT OF IIFL TRUSTEE LIMITED
STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED MARCH 31, 2021

(₹ in Thousands)

| Particulars | Equity attributable to owners of the Company | | | Total |
|-----------------------------------|--|-------------------|--------------------|------------------|
| | Equity Share Capital | Other Equity | Total other equity | |
| | | Retained Earnings | | |
| Balance as at Apr 01, 2020 | 5,000.00 | 51,561.92 | 51,561.92 | 56,561.92 |
| Profits for the year | - | 24,512.87 | 24,512.87 | 24,512.87 |
| Other comprehensive income | | 43.98 | 43.98 | 43.98 |
| Dividends | | (50,000.00) | (50,000.00) | (50,000.00) |
| Balance as at Mar 31, 2021 | 5,000.00 | 26,118.76 | 26,118.76 | 31,118.76 |

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2020

(₹ in Thousands)

| Particulars | Equity Attributable to Owners of the Company | | | Total |
|-----------------------------------|--|-------------------|--------------------|------------------|
| | Equity Share Capital | Other Equity | Total other equity | |
| | | Retained Earnings | | |
| Balance as at Apr 01, 2019 | 5,000.00 | 27,031.43 | 27,031.43 | 32,031.43 |
| Profits for the year | - | 24,530.49 | 24,530.49 | 24,530.49 |
| Balance as at Mar 31, 2020 | 5,000.00 | 51,561.92 | 51,561.92 | 56,561.92 |

Retained Earnings

Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

Pallavi A. Gorakshakar
Partner

For and on behalf of the Board of Directors

Siddhartha Sengupta
Chairman
(DIN: 08467648)

R. Mohan
Director
(DIN: 00012070)

Place : Mumbai
Dated: May 15, 2021

Place : Mumbai
Dated: May 15, 2021

FINANCIAL STATEMENT OF IIFL TRUSTEE LIMITED

Notes forming part of Financial Statements for the year ended March 31, 2021

Note 1. Corporate Information:

IIFL Trustee Limited (the 'Company') is a public limited company incorporated under the Companies Act, 1956. The Company is a 100% subsidiary of IIFL Wealth Management Limited and it acts as a Trustee to IIFL Mutual Fund and IIFL Alternative Investment Funds.

Note 2. Significant Accounting Policies

a) Statement of Compliance:

The Company's financial statements have been prepared in accordance with the provisions of the Companies Act, 2013 and the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 and amendments thereof issued by Ministry of Corporate Affairs in exercise of the powers conferred by section 133 of the Companies Act, 2013. In addition, the guidance notes/announcements issued by the Institute of Chartered Accountants of India (ICAI) are also applied except where compliance with other statutory promulgations require a different treatment.

These financials statements have been approved for issuance by the Board of Directors of the Company at their meeting held on May 14, 2021.

b) Revenue Recognition

Revenue is recognised when the promised goods and services are transferred to the customer i.e. when performance obligations are satisfied. Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties.

The following is a description of principal activities from which the Group generates its revenue.

- Trustee fees: The fees are a series of a similar services and a single performance obligation satisfied over a period of time. These are recognised in accordance with the arrangements entered into with the respective customers.
- Lending / Investments related Income
 - Interest income on investments and loans is accrued on a time basis by reference to the principal outstanding and the effective interest rate including interest on investments that may be classified as fair value through profit or loss or fair value through other comprehensive income.
 - Dividend/ distribution income is accounted in the period in which the right to receive the same is established.

c) Impairment

Assets that have an indefinite useful life, for example goodwill, are not subject to amortization and are tested for impairment annually and whenever there is an indication that the asset may be impaired. Assets that are subject to depreciation and amortization are reviewed for impairment, whenever events or changes in circumstances indicate that carrying amount may not be recoverable. Such circumstances include, though are not limited to, significant or sustained decline in revenues or earnings and material adverse changes in the economic environment.

An impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit (CGU) exceeds its recoverable amount. The recoverable amount of an asset is the greater of its fair value less cost to sell and value in use. To calculate value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market rates and the risk specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the CGU to which the asset belongs. Fair value less cost to sell is the best estimate of the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the cost of disposal. Impairment losses, if any, are recognized in the Statement of Profit and Loss and included in depreciation and amortization expenses.

Impairment losses are reversed in the Statement of Profit and Loss only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had previously been recognized.

d) Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.



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FINANCIAL STATEMENT OF IIFL TRUSTEE LIMITED

Notes forming part of Financial Statements for the year ended March 31, 2021

Financial assets

Initial recognition and measurement:

The Company recognizes a financial asset in its Balance Sheet when it becomes party to the contractual provisions of the instrument.

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss (FVTPL), transaction costs that are attributable to the acquisition of the financial assets.

However, trade receivables that do not contain a significant financing component are measured at transaction price.

Subsequent measurement:

For subsequent measurement, the Company classifies a financial asset in accordance with the below criteria:

- i. the Company's business model for managing the financial asset and
- ii. The contractual cash flow characteristics of the financial asset.

Based on the above criteria, the Company classifies its financial assets into the following categories:

- i. Financial assets measured at amortized cost
- ii. Financial assets measured at fair value through other comprehensive income (FVTOCI)
- iii. Financial assets measured at fair value through profit or loss (FVTPL)

i. Financial assets measured at amortized cost:

A financial asset is measured at the amortized cost if both the following conditions are met:

- a) the Company's business model objective for managing the financial asset is to hold financial assets in order to collect contractual cash flows, and
- b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

This category applies to cash and bank balances, trade receivables, loans and other financial assets of the Company. Such financial assets are subsequently measured at amortized cost using the effective interest method.

ii. Financial assets measured at FVTOCI:

A financial asset is measured at FVTOCI if both of the following conditions are met:

- the Company's business model objective for managing the financial asset is achieved both by collecting contractual cash flows and selling the financial assets, and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For the above category, income by way of interest and dividend, provision for impairment are recognized in profit or loss and changes in fair value (other than on account of above income or expense) are recognized in other comprehensive income and accumulated in other equity. On disposal of such debt instruments at FVOCI financial assets, the cumulative gain or loss previously accumulated in other equity is reclassified to Statement of Profit and Loss.

iii. Financial assets measured at FVTPL:

A financial asset is measured at FVTPL unless it is measured at amortized cost or at FVTOCI as explained above. This is a residual category applied to all other investments of the Company excluding investments in associate. Such financial assets are subsequently measured at fair value at each reporting date. Fair value changes are recognized in the Statement of Profit and Loss.

Derecognition:

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized (i.e. removed from the Company's Balance Sheet) when any of the following occurs:

- i. The contractual rights to cash flows from the financial asset expires;
- ii. the Company transfers its contractual rights to receive cash flows of the financial asset and has substantially transferred all the risks and rewards of ownership of the financial asset;



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FINANCIAL STATEMENT OF IIFL TRUSTEE LIMITED

Notes forming part of Financial Statements for the year ended March 31, 2021

- iii. the Company retains the contractual rights to receive cash flows but assumes a contractual obligation to pay the cash flows without material delay to one or more recipients under a 'pass-through' arrangement (thereby substantially transferring all the risks and rewards of ownership of the financial asset);
- iv. the Company neither transfers nor retains, substantially all risk and rewards of ownership, and does not retain control over the financial asset.

On Derecognition of a financial asset, (except as mentioned in ii above for financial assets measured at FVTOCI), the difference between the carrying amount and the consideration received is recognized in the Statement of Profit and Loss.

Impairment of financial assets:

The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not measured at FVTPL. Expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL.

- Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate. The Company estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.
- The Company measures the loss allowance on financial assets at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for that financial asset at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the lifetime expected credit losses and represent cash shortfalls that will result if default occurs within the 12 months weighted by the probability of default after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.
- When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

For trade receivables and financial assets arising from transactions with in the scope of Ind AS 115 the Company measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and forward-looking information.

The Company writes off a financial asset when there is information indicating that the obligor is in severe financial difficulty and there is no realistic prospect of recovery.

Financial Liabilities

Initial recognition and measurement:

The Company recognizes a financial liability in its Balance Sheet when it becomes party to the contractual provisions of the instrument. Having regards to the terms and structure of issuance, Financial Liabilities are categorized as follows

- (i) recognized at amortised costs
- (ii) recognized at fair value through profit and loss (FVTPL) including the embedded derivative component if any, which is not separated.
- (iii) where there is an embedded derivative as part of the financial liability, such embedded derivative is separated and recorded at fair value and the remaining component is categorized as on amortised costs.



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FINANCIAL STATEMENT OF IIFL TRUSTEE LIMITED

Notes forming part of Financial Statements for the year ended March 31, 2021

Subsequent measurement:

(i) All financial liabilities of the Company are categorized as subsequently measured at amortized cost are subsequently measured using the effective interest method.

(ii) All financial liabilities of the Company categorized at fair value are subsequently measured at fair value through profit and loss statement.

(iii) For derivatives embedded in the liability, the embedded derivative is subsequently measured at fair value through profit and loss and the liability is subsequently measured at amortised cost using the effective interest method.

Derecognition: A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

e) Derivative financial instruments

The Company enters into derivative financial contracts, which are initially recognized at fair value at the date the contracts are entered into and subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognized in the statement of profit and loss unless the derivative is designated and effective as a hedging instrument

In a financial instrument involving embedded derivative, which is separated from the host contract, such embedded derivative component is accounted separately from the underlying host contract and is initially recognized at fair value and is subsequently remeasured at fair value at each reporting period and the resulting gain or loss is recognized in the statement of profit and loss unless the derivative is designated and effective as a hedging instrument.

f) Fair Value

The Company measures financial instruments at fair value in accordance with the accounting policies mentioned above. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy that categorizes into three levels, described as follows, the inputs to valuation techniques used to measure value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 inputs) and the lowest priority to unobservable inputs (Level 3 inputs).

Level 1 — quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3 — inputs that are unobservable for the asset or liability

For assets and liabilities that are recognized in the financial statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization at the end of each reporting period and discloses the same.

g) Income Taxes

Tax expense is the aggregate amount included in the determination of profit or loss for the period in respect of current tax and deferred tax.

Current tax:

Current tax is the amount of income taxes payable in respect of taxable profit for a period. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible in accordance with applicable tax laws.

Current tax is measured using tax rates that have been enacted by the end of reporting period for the amounts expected to be recovered from or paid to the taxation authorities.



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FINANCIAL STATEMENT OF IIFL TRUSTEE LIMITED

Notes forming part of Financial Statements for the year ended March 31, 2021

Deferred tax:

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit under Income tax Act, 1961.

Deferred tax liabilities are generally recognized for all taxable temporary differences. However, in case of temporary differences that arise from initial recognition of assets or liabilities in a transaction (other than business combination) that affect neither the taxable profit nor the accounting profit, deferred tax liabilities are not recognized. Also, for temporary differences if any that may arise from initial recognition of goodwill, deferred tax liabilities are not recognized.

Presentation of current and deferred tax:

Current and deferred tax are recognized as income or an expense in the Statement of Profit and Loss, except when they relate to items that are recognized in Other Comprehensive Income, in which case, the current and deferred tax income/expense are recognized in Other Comprehensive Income.

the Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. In case of deferred tax assets and deferred tax liabilities, the same are offset if the Company has a legally enforceable right to set off corresponding current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority on the Company.

h) Provisions and Contingencies

The Company recognizes provisions when a present obligation (legal or constructive) as a result of a past event exists and it is probable that an outflow of resources embodying economic benefits will be required to settle such obligation and the amount of such obligation can be reliably estimated.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources embodying economic benefits or the amount of such obligation cannot be measured reliably. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources embodying economic benefits is remote, no provision or disclosure is made.

i) Cash and Cash Equivalents

Cash and cash equivalents for the purpose of Cash Flow Statement comprise cash and cheques in hand, bank balances, demand deposits with banks where the original maturity is three months or less.

j) Borrowing Cost

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Borrowing costs, if any, directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized, if any. All other borrowing costs are expensed in the period in which they occur.

k) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM) of the Holding Company. The CODM is responsible for allocating resources and assessing performance of the operating segments of the Company.

l) Share-based Compensation

The Company recognizes compensation expense relating to share-based payments in the net profit using fair value in accordance with Ind AS 102, Share-Based Payment. The estimated fair value of awards is charged to income on a straight line basis over the requisite service period for each separately vesting portion of the award as if the award was in substance, multiple awards with a corresponding increase to ESOP Reserve.

m) Earnings Per Share:

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the year.



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FINANCIAL STATEMENT OF IIFL TRUSTEE LIMITED

Notes forming part of Financial Statements for the year ended March 31, 2021

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders (after deducting attributable taxes) and the weighted average number of equity shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented.

o) KEY ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the Company's financial statements requires the management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Critical accounting estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below:

- Fair value measurement of Financial Instruments

When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques, including the discounted cash flow model, which involve various judgements and assumptions.

- Expected Credit Loss

The provision for expected credit loss involves estimating the probability of default and loss given default based on the past experience and other factors.



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FINANCIAL STATEMENT OF IIFL TRUSTEE LIMITED
Notes forming part of Financial Statements for the year ended March 31, 2021

Note 3. Cash and Cash Equivalents

(₹ in Thousands)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|----------------------|----------------------|
| Cash and Cash Equivalents (As per Ind AS 7 Statement of Cashflows) | | |
| Balance with banks | | |
| -In current accounts | | |
| - In client account | - | - |
| - Others | 29,172.85 | 781.40 |
| Cash and cash equivalents (As per Ind AS 7 Statement of Cashflows) | 29,172.85 | 781.40 |

Note 4. Bank Balance other than 3 above:

(₹ in Thousands)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|----------------------------|----------------------|----------------------|
| Other Bank Balances | | |
| In Earmarked Accounts | 575.00 | - |
| Total | 575.00 | - |

Note 5. Receivables

(₹ in Thousands)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|----------------------|----------------------|
| (i) Trade receivables | | |
| Receivables considered good - Secured | | |
| Receivables considered good - Unsecured | 12,035.59 | 25,389.83 |
| Receivables - credit impaired | 0.18 | 2.76 |
| Total (i)- Gross | 12,035.77 | 25,392.59 |
| Less: Impairment loss allowance | (0.18) | (2.76) |
| Total (i)- Net | 12,035.59 | 25,389.83 |
| (ii) Other receivables | | |
| Receivables considered good - Unsecured | 153.18 | 200.68 |
| Total (ii)- Gross | 153.18 | 200.68 |
| Less: Impairment loss allowance | - | - |
| Total (ii)- Net | 153.18 | 200.68 |
| Total (i+ii) | | |

- No trade or other receivables are due from directors or from other officers of the Company either severally or jointly with any other person nor any trade or other receivables are due from firms or private companies respectively in which any directors is a partner, director or a member as at 31st March 2021 and 31st March 2020.
- There are no trade receivables with significant increase in credit risk (SICR) as at 31st March 2021 and 31st March 2020.
- No trade receivables and other receivables are interest bearing.
- The Company has adopted simplified approach for impairment allowance. Expected Credit Loss ("ECL") has been recognised for credit impaired trade receivables.



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FINANCIAL STATEMENT OF IIFL TRUSTEE LIMITED
Notes forming part of Financial Statements for the year ended March 31, 2021

Note 6. Investments

(₹ in Thousands)

| Investments | As at March 31, 2021 | | | | | | As at March 31, 2020 | | | | | | |
|-------------------------------------|----------------------|------------------------------------|------------------------|---|--------|---------|----------------------|------------------------------------|------------------------|---|------------------|--------|------------------|
| | Amortised cost | At Fair value | | | Others | Total | Amortised cost | At Fair value | | | Subtotal | Others | Total |
| | | Through other comprehensive income | Through profit or loss | Designated at fair value through profit or loss | | | | Through Other Comprehensive Income | Through profit or loss | Designated at fair value through profit or loss | | | |
| (A) | 1 | 2 | 3 | 4 | 6 | 7=1+5+6 | 8 | 9 | 10 | 11 | 12=9+10+11 | 13 | 14=8+12+13 |
| Mutual funds | - | - | - | - | - | - | - | - | 39,114.69 | - | 39,114.69 | - | 39,114.69 |
| Total (A) | - | - | - | - | - | - | - | - | 39,114.69 | - | 39,114.69 | - | 39,114.69 |
| (B) | | | | | | | | | | | | | |
| i) Investments outside India | - | - | - | - | - | - | - | - | - | - | - | - | - |
| ii) Investments in India | - | - | - | - | - | - | - | - | 39,114.69 | - | 39,114.69 | - | 39,114.69 |
| Total (B) | - | - | - | - | - | - | - | - | 39,114.69 | - | 39,114.69 | - | 39,114.69 |
| (C) | | | | | | | | | | | | | |
| Less: Allowance for impairment loss | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total- Net (D) = A-C | - | - | - | - | - | - | - | - | 39,114.69 | - | 39,114.69 | - | 39,114.69 |

| Name of Investment | As at March 31, 2021 | | As at March 31, 2020 | |
|--|----------------------|--------------|----------------------|------------------|
| | No. of Units | Total Amount | No. of Units | Total Amount |
| Investment in Mutual Funds include : | | | | |
| ICI Prudential Overnight Fund Growth (Face Value: ₹ 100.00) | | | 1,33,725.35 | 39,114.69 |
| Total | | - | | 39,114.69 |

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FINANCIAL STATEMENT OF IIFL TRUSTEE LIMITED
Notes forming part of Financial Statements for the year ended March 31, 2021

Note 7. Other Non Financial Assets (₹ in Thousands)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|-------------------|----------------------|----------------------|
| GST input credits | 85.50 | - |
| Total | 85.50 | - |

Note 8. Other financial assets (₹ in Thousands)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|----------------|----------------------|----------------------|
| Other deposits | 10.00 | 10.00 |
| Total | 10.00 | 10.00 |

Note 9. Payables (₹ in Thousands)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|----------------------|----------------------|
| Trade payables | | |
| (i) Total outstanding dues of micro enterprises and small enterprises (Refer note 9.1) | - | - |
| (ii) Total outstanding dues of creditors other than micro enterprises and small enterprises | - | - |
| - Sundry creditors for expenses | 30.34 | 1.11 |
| - Accrued salaries and benefits | 0.12 | - |
| - Provision for expenses | 3,313.46 | 2,218.50 |
| Total | 3,343.91 | 2,219.60 |
| Payable to Holding Co / Group Companies | - | - |
| Other payable | | |
| - (i) Total outstanding dues of micro enterprises and small enterprises (Refer note 9.1) | - | - |
| - (ii) Total outstanding dues of creditors other than micro enterprises and small enterprises | - | - |
| Total | 3,343.91 | 2,219.60 |

9.1. Disclosure under The Micro, Small and Medium Enterprises Development Act, 2006

The following disclosure is made as per the requirement under the Micro, Small and Medium Enterprises

(₹ in Thousands)

| Particulars | 2020-21 | 2019-20 |
|--|---------|---------|
| (a) Principal amount remaining unpaid to any supplier at the year end | - | - |
| (b) Interest due thereon remaining unpaid to any supplier at the year end | - | - |
| (c) Amount of interest paid and payments made to the supplier beyond the appointed day during the year | - | - |
| (d) Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Act | - | - |
| (e) Amount of interest accrued and remaining unpaid at the year end | - | - |
| (f) Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Act | - | - |

There are no amounts due to the suppliers covered under Micro, Small and Medium Enterprises Development Act, 2006. This information takes into account only those suppliers who have responded to the enquiries made by the Company for this purpose. This has been relied upon by the auditors. No interest is payable in respect of the same.

Note 10. Other Financial Liabilities

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|----------------------|----------------------|
| Payable to holding co / group companies | 146.39 | - |
| Deposit from settlors | 300.00 | 300.00 |
| Total | 446.39 | 300.00 |



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FINANCIAL STATEMENT OF IIFL TRUSTEE LIMITED
Notes forming part of Financial Statements for the year ended March 31, 2021

Note 11. Income taxes

Disclosure pursuant to Ind AS 12 "Income Taxes"

(a) Major components of tax expense/ (income)

(₹ in Thousands)

| Sr. No. | Particulars | 2020-21 | 2019-20 |
|---------|--|-----------------|-----------------|
| (a) | Statement of Profit and Loss: | | |
| | Profit and Loss section: | | |
| | (i) Current Income tax : | | |
| | Current income tax expense | 8,246.02 | 8,269.08 |
| | Effect of previously unrecognised tax losses and tax offsets used during the current year | | |
| | Tax expense in respect of earlier years | (15.62) | 359.48 |
| | | 8,230.40 | 8,628.56 |
| | (ii) Deferred Tax: | | |
| | Tax expense on origination and reversal of temporary differences | (131.57) | 102.15 |
| | Effect of previously unrecognised tax losses and tax offsets on which deferred tax benefit is recognised | - | - |
| | Effect on deferred tax balances due to the change in income tax rate | | |
| | | (131.57) | 102.15 |
| | Income tax expense reported in the consolidated statement of profit or loss [(i)+(ii)] | 8,098.83 | 8,730.71 |
| (b) | Other Comprehensive Income (OCI) Section: | | |
| | (i) Items not to be reclassified to profit or loss in subsequent periods: | | |
| | (A) Current tax expense/(income): | | |
| | On re-measurement of defined benefit plans | (14.79) | - |
| | | (14.79) | - |
| | (B) Deferred tax expense/(income): | | |
| | On re-measurement of defined benefit plans | - | - |
| | | - | - |
| | | - | - |
| | Income tax expense reported in the other comprehensive income [A+B] | (14.79) | - |

(b) Reconciliation of Income tax expense and accounting profit multiplied by domestic tax rate applicable in India:

| Sr. No. | Particulars | 2020-21 | 2019-20 |
|---------|---|-----------------|-----------------|
| (a) | Profit/(loss) before tax | 32,670.46 | 33,261.20 |
| (b) | Income tax expense at tax rates applicable to Company | 8,222.50 | 8,371.18 |
| (c) | (i) Tax on Income exempt from Tax | - | - |
| | (ii) Tax on expense not tax deductible | - | - |
| | (iii) Tax expense in respect of earlier years | (15.62) | 359.48 |
| | (iv) Tax effect on various other items | (108.05) | 0.05 |
| | Total effect of tax adjustments [(i) to (xii)] | (123.67) | 359.53 |
| (d) | Tax expense recognised during the year | 8,098.83 | 8,730.71 |
| | Effective tax rate | 24.79% | 26.25% |



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FINANCIAL STATEMENT OF IIFL TRUSTEE LIMITED

Notes forming part of Financial Statements for the year ended March 31, 2021

Note 12. Deferred Taxes

Significant components of deferred tax assets and liabilities recorded in the Balance Sheet and changes recorded in income tax expense for the year ended March 31, 2021 are as follows:

(₹ in Thousands)

| | Opening balance as at Apr 1, 2020 | Recognised in profit or loss | Recognised in/reclassified from OCI | Closing balance as at Mar 31, 2021 |
|---|-----------------------------------|------------------------------|-------------------------------------|------------------------------------|
| Deferred tax assets: | | | | |
| Impairment of Financial Assets | 0.69 | (0.65) | | 0.04 |
| Retirement benefits for employees | | 29.37 | | 29.37 |
| Total deferred tax assets (A) | 0.69 | 28.72 | - | 29.41 |
| Offsetting of deferred tax (assets) with deferred tax liabilities | (0.69) | - | - | (14.79) |
| Net Deferred tax (assets) | - | 28.72 | - | 14.62 |
| Deferred tax liabilities: | | | | |
| Unrealised profit on investments etc. | 102.84 | (102.84) | - | - |
| Retirement benefits for employees | - | | 14.79 | 14.79 |
| Total deferred tax liabilities (B) | 102.84 | (102.84) | 14.79 | 14.79 |
| Offsetting of deferred tax liabilities with deferred tax (assets) | (0.69) | | | (14.79) |
| Net Deferred tax liabilities | 102.16 | (102.84) | 14.79 | - |
| Deferred tax Asset (A - B) | (102.15) | 131.56 | (14.79) | 14.62 |

Significant components of deferred tax assets and liabilities recorded in the Balance Sheet and changes recorded in income tax expense for the year ended March 31, 2020 are as follows:

(₹ in Thousands)

| | Opening balance as at Apr 1, 2019 | Recognised in profit or loss | Recognised in/reclassified from OCI | Closing balance as at Mar 31, 2020 |
|---|-----------------------------------|------------------------------|-------------------------------------|------------------------------------|
| Deferred tax assets: | | | | |
| Impairment of Assets | - | 0.69 | - | 0.69 |
| Total deferred tax assets (A) | - | 0.69 | - | 0.69 |
| Net Deferred tax (assets) | - | | | 0.69 |
| Deferred tax liabilities: | | | | |
| Property, plant and equipment | - | - | - | - |
| Unrealised profit on investments etc. | - | 102.84 | - | 102.84 |
| Total deferred tax liabilities (B) | - | 102.84 | - | 102.84 |
| Offsetting of deferred tax liabilities with deferred tax (assets) | - | | | (0.69) |
| Net Deferred tax liabilities | - | 102.84 | - | 102.15 |
| Deferred tax liability (A - B) | - | (102.15) | - | (102.15) |



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FINANCIAL STATEMENT OF IIFL TRUSTEE LIMITED

Notes forming part of Financial Statements for the year ended March 31, 2021

Note 13. Provisions:

(₹ in Thousands)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|--|----------------------|----------------------|
| Provision for gratuity (Refer note 21.1) | 57.91 | - |
| Total | 57.91 | - |

Note 14. Other Non Financial Liabilities:

(₹ in Thousands)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|-----------------------|----------------------|----------------------|
| Statutory remittances | 2,341.89 | 1,541.88 |
| Total | 2,341.89 | 1,541.88 |

Note 15. Share Capital:

(₹ in Thousands)

(a) The authorised, issued, subscribed and fully paid up share capital comprises of equity shares having a par value of ₹ 10/- as follows:

| Authorised : | As at March 31, 2021 | As at March 31, 2020 |
|---|----------------------|----------------------|
| 1,00,00,000 (P.Y. 1,00,00,000) Equity Shares of ₹ 10 each | 1,00,000.00 | 1,00,000.00 |
| Issued, Subscribed and Paid Up: 5,00,000 (P.Y. 5,00,000) Equity Shares of ₹ 10 each fully paid | 5,000.00 | 5,000.00 |
| | - | - |
| Total | 5,000.00 | 5,000.00 |

(b) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period.

| Particulars | As at March 31, 2021 | | As at March 31, 2020 | |
|---|----------------------|-----------------|----------------------|-----------------|
| | No. of shares | Amount | No. of shares | Amount |
| At the beginning of the year | 5,00,000 | 5,000.00 | 5,00,000 | 5,000.00 |
| Add: Issued during the year | - | - | - | - |
| Outstanding at the end of the year | 5,00,000 | 5,000.00 | 5,00,000 | 5,000.00 |

(c) Terms/rights attached to equity shares:

The Company has only one class of shares referred to as equity shares having a par value of ₹ 10/- each. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. However, no such preferential amount exists currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

(d) Details of shares held by Holding Company:

| Particulars | As at March 31, 2020 | | As at March 31, 2019 | |
|---|----------------------|-----------|----------------------|-----------|
| | No. of shares | % holding | No. of shares | % holding |
| IIFL Wealth Management Limited & its nominees | 5,00,000 | 100% | 5,00,000 | 100% |

(e) Details of shareholders holding more than 5% shares in the Company:

| Particulars | As at March 31, 2020 | | As at March 31, 2019 | |
|---|----------------------|-----------|----------------------|-----------|
| | No. of shares | % holding | No. of shares | % holding |
| IIFL Wealth Management Limited & its nominees | 5,00,000 | 100% | 5,00,000 | 100% |

(f) During the period of 5 years immediately preceding the Balance Sheet date, the Company has not issued any equity shares without payment being received in cash, bonus shares and has not bought back any equity shares.

Note 16. Other Equity:

(₹ in Thousands)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|-------------------|----------------------|----------------------|
| Retained earnings | 26,118.76 | 51,561.92 |
| Total | 26,118.76 | 51,561.92 |


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FINANCIAL STATEMENT OF IIFL TRUSTEE LIMITED

Notes forming part of Financial Statements for the year ended March 31, 2021

Note 17. Fee and Commission Income (₹ in Thousands)

| Particulars | 2020-21 | 2019-20 |
|--------------|------------------|------------------|
| Trustee Fees | 37,962.76 | 34,808.66 |
| TOTAL | 37,962.76 | 34,808.66 |

Note 18. Other Income (₹ in Thousands)

| Particulars | 2020-21 | 2019-20 |
|------------------------------------|-----------------|-----------------|
| Fair value changes of investments: | | |
| -Realised | 2,281.17 | 1,572.06 |
| -Unrealised | (408.67) | 408.67 |
| Total | 1,872.50 | 1,980.73 |

Note 19. Finance Cost (₹ in Thousands)

| Particulars | 2020-21 | | | 2019-20 | | |
|--|--|---|--------------|--|---|-------------|
| | On financial liabilities measured at fair value through profit or loss | On financial liabilities measured at amortised cost | Total | On financial liabilities measured at fair value through profit or loss | On financial liabilities measured at amortised cost | Total |
| Interest on borrowings (Refer note 25) | 16.42 | - | 16.42 | 3.79 | - | 3.79 |
| Total | 16.42 | - | 16.42 | 3.79 | - | 3.79 |

Note 20. Impairment On Financial Instruments (₹ in Thousands)

| Particulars | 2020-21 | | 2019-20 | |
|-------------------|---|---|---|---|
| | On financial instruments measured at fair value through OCI | On financial instruments measured at amortised cost | On financial instruments measured at fair value through OCI | On financial instruments measured at amortised cost |
| Trade Receivables | - | (2.58) | - | 2.76 |
| Total | - | (2.58) | - | 2.76 |

Note 21. Employee Benefits Expenses (₹ in Thousands)

| Particulars | 2020-21 | 2019-20 |
|---|---------------|----------|
| Salaries and wages | 718.59 | - |
| Contribution to provident and other funds | 30.74 | - |
| Gratuity expense | 8.62 | - |
| Total | 757.95 | - |

Note 22. Other Expenses (₹ in Thousands)

| Particulars | 2020-21 | 2019-20 |
|---|-----------------|-----------------|
| Operations and Fund Management expenses | 5.90 | 3.74 |
| Travelling & Conveyance | 3.46 | - |
| Legal & professional fees | 133.75 | 119.80 |
| Communication | 0.40 | - |
| Office & Other Expenses | 10.26 | 0.60 |
| Directors' fees and commission | 6,095.00 | 3,197.50 |
| Remuneration to Auditors : | | |
| Audit Fees | 200.00 | 200.00 |
| Out Of Pocket Expenses | 3.00 | - |
| Total | 6,451.77 | 3,521.64 |


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21.1. Gratuity Abridged Disclosure Statement as Per Indian Accounting Standard 19 (Ind AS 19) For The Period Apr 2020- Mar 2021

| | |
|---------------------|---|
| Type of Benefit | Gratuity |
| Country | India |
| Reporting Currency | INR |
| Reporting Standard | Indian Accounting Standard 19 (Ind AS 19) |
| Funding Status | Unfunded |
| Starting Period | 01-Apr-20 |
| Date of Reporting | 31-Mar-21 |
| Period of Reporting | 12 Months |

Assumptions (Current Period)

| | |
|----------------------------------|---|
| Expected Return on Plan Assets | N.A. |
| Rate of Discounting | 6.57% |
| Rate of Salary Increase | 7.50% |
| Rate of Employee Turnover | For service 4 years and below 15.00% p.a. For service 5 years and above 7.50% p.a. |
| Mortality Rate During Employment | Indian Assured Lives Mortality (2006-08) Ultimate |

(₹ in Thousands)

Table Showing Change in the Present Value of Projected Benefit Obligation

| | |
|--|--------------|
| Present Value of Benefit Obligation at the Beginning of the Period | - |
| Interest Cost | - |
| Current Service Cost | 8.62 |
| Past Service Cost | - |
| Liability Transferred In/ Acquisitions | 370.56 |
| (Liability Transferred Out/ Divestments) | - |
| (Gains)/ Losses on Curtailment | - |
| (Liabilities Extinguished on Settlement) | - |
| (Benefit Paid Directly by the Employer) | (262.50) |
| (Benefit Paid From the Fund) | - |
| The Effect Of Changes in Foreign Exchange Rates | - |
| Actuarial (Gains)/Losses on Obligations - Due to Change in Demographic Assumptions | - |
| Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions | - |
| Actuarial (Gains)/Losses on Obligations - Due to Experience | (58.77) |
| Present Value of Benefit Obligation at the End of the Period | 57.91 |

(₹ in Thousands)

Table Showing Change in the Fair Value of Plan Assets

| | |
|---|---|
| Fair Value of Plan Assets at the Beginning of the Period | - |
| Interest Income | - |
| Contributions by the Employer | - |
| Expected Contributions by the Employees | - |
| Assets Transferred In/Acquisitions | - |
| (Assets Transferred Out/ Divestments) | - |
| (Benefit Paid from the Fund) | - |
| (Assets Distributed on Settlements) | - |
| Effects of Asset Ceiling | - |
| The Effect of Changes In Foreign Exchange Rates | - |
| Return on Plan Assets, Excluding Interest Income | - |
| Fair Value of Plan Assets at the End of the Period | - |

(₹ in Thousands)

Amount Recognized in the Balance Sheet

| | |
|--|----------------|
| (Present Value of Benefit Obligation at the end of the Period) | (57.91) |
| Fair Value of Plan Assets at the end of the Period | - |
| Funded Status (Surplus/ (Deficit)) | (57.91) |
| Net (Liability)/Asset Recognized in the Balance Sheet | (57.91) |

(₹ in Thousands)

Net Interest Cost for Current Period

| | |
|--|---|
| Present Value of Benefit Obligation at the Beginning of the Period | - |
| (Fair Value of Plan Assets at the Beginning of the Period) | - |
| Net Liability/(Asset) at the Beginning | - |
| Interest Cost | - |
| (Interest Income) | - |
| Net Interest Cost for Current Period | - |



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(₹ in Thousands)

Expenses Recognized in the Statement of Profit or Loss for Current Period

| | |
|---|-------------|
| Current Service Cost | 8.62 |
| Net Interest Cost | - |
| Past Service Cost | - |
| (Expected Contributions by the Employees) | - |
| (Gains)/Losses on Curtailments And Settlements | - |
| Net Effect of Changes in Foreign Exchange Rates | - |
| Expenses Recognized | 8.62 |

(₹ in Thousands)

Expenses Recognized in the Other Comprehensive Income (OCI) for Current Period

| | |
|--|----------------|
| Actuarial (Gains)/Losses on Obligation For the Period | (58.77) |
| Return on Plan Assets, Excluding Interest Income | - |
| Change in Asset Ceiling | - |
| Net (Income)/Expense For the Period Recognized in OCI | (58.77) |

(₹ in Thousands)

Balance Sheet Reconciliation

| | |
|--|--------------|
| Opening Net Liability | - |
| Expenses Recognized in Statement of Profit or Loss | 8.62 |
| Expenses Recognized in OCI | (58.77) |
| Net Liability/(Asset) Transfer In | 370.56 |
| Net (Liability)/Asset Transfer Out | - |
| (Benefit Paid Directly by the Employer) | (262.50) |
| (Employer's Contribution) | - |
| Net Liability/(Asset) Recognized in the Balance Sheet | 57.91 |

Other Details

| | |
|---|-------|
| No of Active Members | 1 |
| Per Month Salary For Active Members | 72.92 |
| Weighted Average Duration of the Projected Benefit Obligation | 14 |
| Average Expected Future Service | 8 |
| Projected Benefit Obligation (PBO) | 58 |
| Expected Contribution in the Next Year | - |

(₹ in Thousands)

Net Interest Cost for Next Year

| | |
|--|-------------|
| Present Value of Benefit Obligation at the End of the Period | 57.91 |
| (Fair Value of Plan Assets at the End of the Period) | - |
| Net Liability/(Asset) at the End of the Period | 57.91 |
| Interest Cost | 3.81 |
| (Interest Income) | - |
| Net Interest Cost for Next Year | 3.81 |

(₹ in Thousands)

Expenses Recognized in the Statement of Profit or Loss for Next Year

| | |
|---|--------------|
| Current Service Cost | 28.90 |
| Net Interest Cost | 3.81 |
| (Expected Contributions by the Employees) | - |
| Expenses Recognized | 32.71 |

Maturity Analysis of the Benefit Payments**Projected Benefits Payable in Future Years From the Date of Reporting**

(₹ in Thousands)

| | |
|---------------------------|--------|
| 1st Following Year | 0.11 |
| 2nd Following Year | 0.10 |
| 3rd Following Year | 0.10 |
| 4th Following Year | 4.89 |
| 5th Following Year | 4.86 |
| Sum of Years 6 To 10 | 23.91 |
| Sum of Years 11 and above | 118.50 |

(₹ in Thousands)

Sensitivity Analysis

| | |
|--|--------------|
| Projected Benefit Obligation on Current Assumptions | 57.91 |
| Delta Effect of +1% Change in Rate of Discounting | (6.63) |
| Delta Effect of -1% Change in Rate of Discounting | 7.90 |
| Delta Effect of +1% Change in Rate of Salary Increase | 7.75 |
| Delta Effect of -1% Change in Rate of Salary Increase | (6.63) |
| Delta Effect of +1% Change in Rate of Employee Turnover | (2.43) |
| Delta Effect of -1% Change in Rate of Employee Turnover | 2.57 |



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FINANCIAL STATEMENT OF IIFL TRUSTEE LIMITED

Notes forming part of Financial Statements for the year ended March 31, 2021

Note 23. Earnings Per Share:

Basic and diluted earnings per share ["EPS"] computed in accordance with INDAS 33 'Earnings per share'.

| Particulars | | 2020-21 | 2019-20 |
|--|-----|-----------|-----------|
| Face value of equity shares in ₹ fully paid up | | 10.00 | 10.00 |
| BASIC | | | |
| Profit after tax as per Statement of Profit and Loss | A | 24,512.87 | 24,530.49 |
| Weighted average number of shares subscribed | B | 500.00 | 500.00 |
| Face value of equity shares (in ₹) fully paid | | 10.00 | 10.00 |
| Basic EPS (₹) | A/B | 49.03 | 49.06 |
| DILUTED | | | |
| Profit after tax as per Statement of Profit and Loss | A | 24,512.87 | 24,530.49 |
| Weighted number of shares subscribed | B | 500.00 | 500.00 |
| Diluted EPS (₹) | A/B | 49.03 | 49.06 |

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Note 24. Disclosure Pursuant to Ind AS 107 "Financial Instruments: Disclosures"
Financial Risk Management objectives and policies

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company's risk management policy is approved by the board committee.

The Company's principal financial liabilities comprise trade and other payables and other financial liabilities. The Company's principal financial assets include trade and other receivables, cash and cash equivalents, investments and other financial assets that derive directly from its operations and Investment.

The Company is exposed to market risk, credit risk, liquidity risk etc. The Company senior management oversees the management of these risks. The Company senior management is overseen by the audit committee with respect to risks and facilitates appropriate financial risk governance framework for the Company. Financial risks are identified, measured and managed in accordance with the Company policies and risk objectives. The Board of Directors reviews and agrees policies for managing key risks, which are summarised below.

24A.1. Credit Risk

Credit risk refers to risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk assessment on various components is described below:

1) Trade and other receivables

The Company's trade receivables primarily include receivables from mutual funds and alternative investment funds. The Company has detailed review mechanism for reviewing trade receivables periodically. Based on the historical experience in collection of receivables, the Group considers credit risk arising from trade receivables to be insignificant.

Movement in the Expected Credit Loss/ Impairment Loss allowance with regards to trade receivables is as follows :

| Particulars | Year Ended March 31, 2021 | Year Ended March 31, 2020 |
|--------------------------------------|------------------------------|------------------------------|
| Balance at the beginning of the year | 2.76 | - |
| Movement in expected credit loss | (2.58) | 2.76 |
| Balance at the end of the year | 0.18 | 2.76 |

2) Others

In addition to the above, balances and deposits with banks, investments in mutual funds and other financial assets also have exposure to credit risk.

Credit risk on balances with banks is limited as these balances are generally held with banks and financial institutions with high credit ratings and/or with capital adequacy ratio above the prescribed regulatory limits.

Credit Risk on Other Financial assets is considered very low.

24B. Liquidity Risk

Liquidity risk refers to the risk that the Company may not be able to meet its short-term financial obligations. The Company manages liquidity risk by maintaining sufficient cash and marketable securities

The following table shows the maturity profile of Financial liabilities:

| Financial liabilities | As at 31st March 2021 | | | | | |
|-----------------------------|-----------------------|--------------------|----------------------|--------------------|----------------------|-------------------|
| | Total | Less than 1 months | 1 months to 6 months | 6 months to 1 year | Between 1 to 5 years | 5 years and above |
| Trade Payables | 3,343.91 | - | 3,343.91 | - | - | - |
| Other financial liabilities | 446.39 | - | 146.39 | - | - | 300.00 |
| Total | 3,790.31 | - | 3,490.31 | - | - | 300.00 |

| Financial liabilities | As at 31st March 2020 | | | | | |
|-----------------------------|-----------------------|--------------------|----------------------|--------------------|----------------------|-------------------|
| | Total | Less than 1 months | 1 months to 6 months | 6 months to 1 year | Between 1 to 5 years | 5 years and above |
| Trade Payables | 2,219.60 | - | 2,219.60 | - | - | - |
| Other financial liabilities | 300.00 | - | - | - | - | 300.00 |
| Total | 2,519.60 | - | 2,219.60 | - | - | 300.00 |

24C. Market Risk

Market risk is the risk of any loss in future earnings, in realizable fair values or in futures cash flows that may result from a change in the price of a financial instrument. The Company manages market risk through a treasury department, which evaluate and exercises control over the entire process of market risk management. The treasury department recommends risk management objectives and policies, which are approved by senior management and the Audit/ Investment committee. The activities of this department include management of cash resources, borrowing strategies, and ensuring compliance with market risk limit and policies.

24C.1 Currency Risk

The Company does not run a proprietary trading position in foreign currencies and foreign currency denominated instruments.

24C.2 Interest rate risk

The Company does not have exposure to interest rate risk.

24C.3. Other Price Risk (including Equity Linked Investments)

Other price risk is related to the change in market reference price of the investments which are fair valued and exposes the Company to price risks.

The carrying amount of financial assets and liabilities subject to price risk is as below:

| Particulars | As at 31st March 2021 | As at 31st March 2020 |
|----------------------------------|-----------------------|-----------------------|
| Financial Assets | | |
| Derivative financial instruments | - | - |
| Investments | - | 39,114.69 |
| | - | 39,114.69 |



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| Financial Liabilities | | |
|----------------------------------|---|---|
| Derivative financial instruments | - | - |
| Debt securities | - | - |
| | - | - |

Sensitivity to change in prices of the above assets and liabilities are measured on the following parameters

| | |
|-----------------------------|----------------------|
| Investments in Mutual Funds | 1% change in the NAV |
|-----------------------------|----------------------|

A hypothetical 100 basis point shift in the benchmark rate will have impact on the profit and loss as below:

| | 2020-21 | 2019-20 |
|-------------------------------------|---------|----------|
| Increase of 100 basis point | | |
| Impact on Profit and Loss after tax | - | 292.70 |
| Impact on Equity | - | 292.70 |
| Decrease of 100 basis point | | |
| Impact on Profit and Loss after tax | - | (292.70) |
| Impact on Equity | - | (292.70) |

24D.Capital Management

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the shareholder value.

24E. Category Wise Classification for applicable Financial Assets and Liabilities

| Sr No | Particulars | As at 31st March 2021 | | | Total |
|-------|---|---------------------------|--|---|------------------|
| | | Measure at amortised cost | Measured at fair value through profit or loss(P/L) | Measured at fair value through other comprehensive income (OCI) | |
| | Financial Assets | | | | |
| (a) | Cash and cash equivalents | 29,172.85 | - | - | 29,172.85 |
| (b) | Bank balance other than (a) above | 575.00 | - | - | 575.00 |
| (b) | Receivables | | | | - |
| | (I) Trade receivables | 12,035.59 | - | - | 12,035.59 |
| | (II) Other receivables | 153.18 | - | - | 153.18 |
| (d) | Other financial assets | 10.00 | - | - | 10.00 |
| | Total | 41,946.61 | - | - | 41,946.61 |
| | Financial Liabilities | | | | |
| (a) | Payables | | | | - |
| | (I)Trade payables | | | | - |
| | (i) total outstanding dues of micro enterprises and small enterprises | - | - | - | - |
| | (ii) total outstanding dues of creditors other than micro enterprises and small enterprises | 3,343.91 | - | - | 3,343.91 |
| (b) | Other financial liabilities | 446.39 | - | - | 446.39 |
| | Total | 3,790.31 | - | - | 3,790.31 |

| Sr No | Particulars | As at 31st March 2020 | | | Total |
|-------|---|---------------------------|--|---|------------------|
| | | Measure at amortised cost | Measured at fair value through profit or loss(P/L) | Measured at fair value through other comprehensive income (OCI) | |
| | Financial Assets | | | | |
| (a) | Cash and cash equivalents | 781.40 | - | - | 781.40 |
| (b) | Receivables | - | | | - |
| | (I) Trade receivables | 25,389.83 | - | - | 25,389.83 |
| | (II) Other receivables | 200.68 | - | - | 200.68 |
| (c) | Investments | | 39,114.69 | - | 39,114.69 |
| (d) | Other financial assets | 10.00 | - | - | 10.00 |
| | Total | 26,381.90 | 39,114.69 | - | 65,496.60 |
| | Financial Liabilities | | | | |
| (a) | Derivative financial instruments | - | - | - | - |
| (a) | Payables | | | | - |
| | (I)Trade payables | | | | - |
| | (i) total outstanding dues of micro enterprises and small enterprises | - | - | - | - |
| | (ii) total outstanding dues of creditors other than micro enterprises and small enterprises | 2,219.60 | - | - | 2,219.60 |
| (b) | Other financial liabilities | 300.00 | - | - | 300.00 |
| | Total | 2,519.60 | - | - | 2,519.60 |

24E.1. Fair values of financial instruments

The Company measures fair values using the following fair value hierarchy, which reflects the significance of the inputs used in making the measurements.
Level 1: Inputs that are quoted market prices (unadjusted) in active markets for identical instruments. This include NAVs of the schemes of mutual funds.



The following table analyses financial instruments measured at fair value at the reporting date, by the level in the fair value hierarchy into which the fair value measurement is categorised.

The amounts are based on the values recognised in the statement of financial position. The fair values include any deferred differences between the transaction price and the fair value on initial recognition when the fair value is based on a valuation technique that uses unobservable inputs.

| Financial instruments measured at fair value | Recurring fair value measurements at 31.03.2021 | | | |
|--|---|---------|---------|-------|
| | Level 1 | Level 2 | Level 3 | Total |
| Financial Assets | | | | |
| Investments in Mutual funds | - | | | - |
| Total Assets | - | - | - | - |

| Financial instruments measured at fair value | Recurring fair value measurements at 31.03.2020 | | | |
|--|---|---------|---------|------------------|
| | Level 1 | Level 2 | Level 3 | Total |
| Financial Assets | | | | |
| Investments in Mutual funds | 39,114.69 | | | 39,114.69 |
| Total Assets | 39,114.69 | - | - | 39,114.69 |

*Net Assets Value in an active market

24E. 1b Fair value of financial assets and financial liabilities measured at amortised cost

| Financial Assets and liabilities which are measured at amortised cost for which fair | As at 31st March 2021 | | As at 31st March 2020 | |
|---|-----------------------|------------|-----------------------|------------|
| | Carrying Value | Fair Value | Carrying Value | Fair Value |
| Financial Assets | | | | |
| Cash and cash equivalents | 29,172.85 | 29,172.85 | 781.40 | 781.40 |
| Bank balance other than above | 575.00 | 575.00 | - | - |
| Receivables | | | | |
| (I) Trade receivables | 12,035.59 | 12,035.59 | 25,389.83 | 25,389.83 |
| (II) Other receivables | 153.18 | 153.18 | 200.68 | 200.68 |
| Loans | - | - | - | - |
| Other financial assets | 10.00 | 10.00 | 10.00 | 10.00 |
| Financial Liabilities | | | | |
| (I) Trade payables | | | | |
| (i) total outstanding dues of micro enterprises and small enterprises | - | - | - | - |
| (ii) total outstanding dues of creditors other than micro enterprises and small enterprises | 3,343.91 | 3,343.91 | 2,219.60 | 2,219.60 |
| Other financial liabilities | 446.39 | 446.39 | 300.00 | 300.00 |

Financial assets measured at amortised cost:

The carrying amounts of cash and cash equivalents and other bank balances, trade and other receivables and other financial assets are considered to be the same as their fair values due to their short term nature.

Financial liabilities measured at amortised cost:

The carrying amounts of trade payables and other financial liabilities are considered to be the same as their fair values due to their short term nature. Other financial liabilities includes those nature of liabilities whose fair value approx to amortised cost.



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Note 25. Related Party Disclosures:
Related party disclosures for the year ended 31st March, 2021

a) List of Related Parties:

| Nature of relationship | Name of party |
|--|--|
| Director/ Key Managerial Personnel | Mr. Mohan Radhakrishnan |
| | Mr. Karat Venugopal Parameshwar |
| | Mr. Siddhartha Sengupta |
| | Mr. Ashok Kumar Garg |
| Holding Company | IIFL Wealth Management Limited |
| Fellow Subsidiaries | IIFL Wealth Prime Limited (Formerly known as IIFL Wealth Finance Limited) |
| | IIFL Asset Management Limited |
| | IIFL Investment Adviser and Trustee Services Limited |
| | IIFL Wealth Portfolio Managers Limited (Formerly known as IIFL Portfolio Managers Limited) |
| | IIFL Wealth Distribution Services Limited (Formerly known as IIFL Distribution Services Limited) |
| | IIFL Wealth Securities IFSC Limited (w.e.f June 22, 2018) |
| | IIFL Wealth Advisors (India) Limited (amalgamated with IIFL Wealth Management Ltd w.e.f December 27, 2019) |
| | IIFL Wealth Altiore Limited |
| | IIFL Wealth Employee Welfare benefit Trust (w.e.f August 01, 2018) |
| | IIFL Private Wealth Management (Dubai) Limited |
| | IIFL (Asia) Pte. Limited |
| | IIFL Inc. |
| | IIFL Private Wealth Hong Kong Limited * |
| | IIFL Asset Management (Mauritius) Limited (Formerly known as IIFL Private Wealth (Mauritius) Ltd) |
| | IIFL Securities Pte. Limited |
| | IIFL Capital (Canada) Limited |
| | IIFL Capital Pte. Limited |
| | IIFLW CSR Foundation (w.e.f Jan 20, 2020) |
| | IIFL Wealth Capital Markets Limited (Formerly known as L & T Capital Markets Limited) ** |
| Other Related Parties | IIFL Finance Limited (Formerly known as IIFL Holdings Limited) |
| | IIFL Securities Limited (Formerly known as India Infoline Limited) |
| | IIFL Commodities Limited (Formerly known as India Infoline Commodities Limited) |
| | IIFL Insurance Brokers Limited (Formerly known as India Infoline Insurance Brokers Limited) |
| | IIFL Management Services Limited (Formerly India Infoline Insurance Services Limited) |
| | IIFL Wealth (UK) Limited |
| | IIFL Capital Inc. |
| | IIFL Facilities Services Limited (Formerly known as IIFL Real Estate Limited) |
| | IIFL Securities Services IFSC Limited |
| | IIFL Corporate Services Limited (Formerly known as IIFL Asset Reconstruction Limited) |
| | IIFL Home Finance Limited |
| | Samasta Microfinance Limited (w.e.f March 01, 2017) |
| | Meenakshi Tower LLP (Joint Venture of IIFL Management Services Limited) |
| | Shreyans Foundation LLP |
| | FIH Mauritius Investment Limited |
| | India Infoline Foundation |
| | Spaia Capital Limited |
| | Spaia P2P Limited |
| | Spaia Insurance Brokers Limited |
| | Spaia Trading Limited |
| | General Atlantic Singapore Fund Pte Limited |
| | Mr. Karan Bhagat |
| | Mrs. Shilpa Bhagat (Spouse of Mr. Karan Bhagat) |
| | Kush Family Private Trust |
| | Kyra Family Private Trust |
| | Kyrush Investments |
| | Bhagat Family Private Trust |
| | Kyrush Family Private Trust |
| | Kyrush Trading & Investments Private Limited (Formerly known as Kyrush Realty Private Limited) |
| | Mr. Yatin Shah |
| | Mrs. Ami Yatin Shah (Spouse of Mr. Yatin Shah) |
| | Mr. Prakashchandra Shah (Father of Mr. Yatin Shah) |
| | Yatin Prakash Shah HUF |
| | Yatin Investments |
| | Naykia Realty Private Limited |
| | Naykia Family Private Trust |
| | Prakash Shah Family Private Trust |
| | Naysa Shah Family Private Trust |
| | Kiaan Shah Family Private Trust |
| | India Alternatives Investment Advisors Private Limited resigned w.e.f. 31.05.2020 |
| | Financial advisors (India) Private Limited |
| | CDE Real Estate Private Limited Resigned w.e.f January 19, 2021 |
| | Mr. Nirmal Jain |
| Mrs. Madhu Jain (Spouse of Mr. Nirmal Jain) | |
| Ardent Impex Private Limited | |
| Orpheous Trading Private Limited | |
| Sunder Bhawar Ventures Private Limited | |
| Nirmal Madhu Family Private Trust | |
| MNJ Consultants Private Limited | |
| Mr. Venkataraman Rajamani | |
| Ms. Aditi Athavankar (Spouse of Mr. Venkataraman Rajamani) | |
| Kalki Family Private Trust | |

*IIFL Private Wealth (Hongkong) Limited has completed voluntary liquidation

**IIFL Wealth Capital Markets Limited is now Wholly Owned Subsidiary of IIFL Wealth Finance Limited with effect from April 24, 2020.



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FINANCIAL STATEMENT OF IIFL TRUSTEE LIMITED
Notes forming part of Financial Statements for the year ended March 31, 2021
Note 25. Related Party Disclosures:
Related party disclosures for the year ended 31st March, 2021
b) Significant Transactions with Related Parties
(₹ in Thousands)

| Nature of Transaction | Director/ Key Managerial Personnel | Holding Company | Fellow Subsidiaries | Total |
|--|------------------------------------|-----------------|---------------------|------------|
| ICD Taken | | | | - |
| IIFL Wealth Management Ltd | - | 45,000.00 | - | 45,000.00 |
| | - | (4,800.00) | - | (4,800.00) |
| ICD Repaid | | | | - |
| IIFL Wealth Management Ltd | - | 45,000.00 | - | 45,000.00 |
| | - | (4,800.00) | - | (4,800.00) |
| Interest Expense on ICD | | | | - |
| IIFL Wealth Management Ltd | - | 16.42 | - | 16.42 |
| | - | (3.54) | - | (3.54) |
| Dividend Paid | | | | - |
| IIFL Wealth Management Ltd | - | 50,000 | - | 50,000.00 |
| | - | - | - | - |
| Sitting Fees/Commission Paid to Directors | | | | - |
| Radhakrishnan Mohan | 1,505.00 | - | - | 1,505.00 |
| | - | - | - | - |
| Jitendra Himatlal Mehta | | - | - | - |
| | (686.18) | - | - | (686.18) |
| Rajinder Singh Loona | | - | - | - |
| | (377.60) | - | (3,773.32) | (4,150.92) |
| Ashok Garg | 1,530.00 | - | - | 1,530.00 |
| | (396.45) | - | (1,955.25) | (2,351.70) |
| Karat V Parameshwar | 1,530.00 | - | - | 1,530.00 |
| | (724.94) | - | - | (724.94) |
| Siddartha Sengupta | 1,530.00 | - | - | 1,530.00 |
| | (1,012.33) | - | - | (1,012.33) |
| Other funds Received | | | | - |
| IIFL Asset Management Ltd | | - | 370.56 | 370.56 |
| | | - | - | - |
| Other funds Paid | | | | - |
| IIFL Wealth Management Ltd | | 1,955.25 | - | 1,955.25 |
| | | (881.56) | - | (881.56) |
| IIFL Asset Management Ltd | | - | 1,818.07 | 1,818.07 |
| | - | - | - | - |

(h) Amount due to / from related parties (Closing Balances:
(₹ in Thousands)

| Nature of Transaction | Director/ Key Managerial Personnel | Holding Company | Fellow Subsidiaries | Total |
|---------------------------|------------------------------------|-----------------|---------------------|--------|
| Sundry Payables | - | - | - | - |
| IIFL Asset Management Ltd | - | - | 146.39 | 146.39 |
| | - | - | - | - |


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Note 26. Maturity analysis of assets and liabilities as at March 31, 2021

(₹ in Thousands)

| SR. No. | Particulars | Within 12 months | After 12 months | As at March 31, 2021 |
|----------|---|------------------|------------------|----------------------|
| | ASSETS | | | |
| 1 | Financial Assets | | | |
| (a) | Cash and cash equivalents | 29,172.85 | - | 29,172.85 |
| (b) | Bank balance other than (a) above | 575.00 | | 575.00 |
| (c) | Receivables | | | |
| | (I) Trade receivables | 12,035.59 | - | 12,035.59 |
| | (II) Other receivables | - | 153.18 | 153.18 |
| (d) | Other financial assets | - | 10.00 | 10.00 |
| 2 | Non-Financial Assets | | | |
| (a) | Current tax assets (net) | - | 568.72 | 568.72 |
| (b) | Deferred tax assets (net) | | 14.62 | 14.62 |
| (c) | Other non-financial assets | | | 85.50 |
| | Total Assets | 41,783.43 | 746.51 | 42,615.44 |
| | LIABILITIES AND EQUITY | | | |
| | LIABILITIES | | | |
| 1 | Financial Liabilities | | | |
| (a) | Payables | | | |
| | (I) Trade payables | | | |
| | (i) total outstanding dues of micro enterprises and small enterprises | - | - | - |
| | (ii) total outstanding dues of creditors other than micro enterprises and small enterprises | 3,343.91 | - | 3,343.91 |
| (b) | Other financial liabilities | 146.39 | 300.00 | 446.39 |
| 2 | Non-Financial Liabilities | | | |
| (a) | Current tax liabilities (net) | 5,306.60 | - | 5,306.60 |
| (b) | Provisions | | | 57.91 |
| (c) | Other non-financial liabilities | 2,341.89 | - | 2,341.89 |
| 3 | EQUITY | | | |
| (a) | Equity share capital | - | 5,000.00 | 5,000.00 |
| (b) | Other equity | - | 26,118.76 | 26,118.76 |
| | Total Liabilities and Equity | 11,138.81 | 31,418.76 | 42,615.47 |

Maturity analysis of assets and liabilities as at March 31, 2020

(₹ in Thousands)

| SR. No. | Particulars | Within 12 months | After 12 months | As at March 31, 2020 |
|----------|---|------------------|------------------|----------------------|
| | ASSETS | | | |
| 1 | Financial Assets | | | |
| (a) | Cash and cash equivalents | 781.40 | - | 781.40 |
| (b) | Receivables | | | |
| | (I) Trade receivables | 25,389.83 | - | 25,389.83 |
| | (II) Other receivables | - | 200.68 | 200.68 |
| (c) | Investments | 39,114.69 | - | 39,114.69 |
| (d) | Other financial assets | - | 10.00 | 10.00 |
| 2 | Non-Financial Assets | | | |
| (a) | Current tax assets (net) | - | 28.42 | 28.42 |
| | Total Assets | 65,285.92 | 239.09 | 65,525.02 |
| | LIABILITIES AND EQUITY | | | |
| | LIABILITIES | | | |
| 1 | Financial Liabilities | | | |
| (a) | Payables | | | |
| | (I) Trade payables | | | |
| | (i) total outstanding dues of micro enterprises and small enterprises | - | - | - |
| | (ii) total outstanding dues of creditors other than micro enterprises and small enterprises | 2,219.60 | - | 2,219.60 |
| (b) | Other financial liabilities | - | 300.00 | 300.00 |
| 2 | Non-Financial Liabilities | | | |
| (a) | Current tax liabilities (net) | 4,799.47 | - | 4,799.47 |
| (b) | Deferred tax liabilities (net) | - | 102.15 | 102.15 |
| (c) | Other non-financial liabilities | 1,541.88 | - | 1,541.88 |
| 3 | EQUITY | | | |
| (a) | Equity share capital | - | 5,000.00 | 5,000.00 |
| (b) | Other equity | - | 51,561.92 | 51,561.92 |
| | Total Liabilities and Equity | 8,560.95 | 56,964.07 | 65,525.02 |



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FINANCIAL STATEMENT OF IIFL TRUSTEE LIMITED

Notes forming part of Financial Statements for the year ended March 31, 2021

Note 27. Segment Reporting

In the opinion of the management, there is only one reportable business segment - Trustee Services as envisaged by Ind AS 108 'Operating Segments', as prescribed under section 133 of the Act. Accordingly, no separate disclosure for segment reporting is required to be made in the financial statements of the Company. Secondary segment based on geography has not been presented as the Company operates primarily in India and the Company perceives that there is no significant difference in its risk and returns in operating from different geographic areas within India.

Note 28. Subsequent Events

There were no subsequent events from the date of financial statements till the date of adoption of accounts.

Note 29. The spread of the COVID-19 pandemic including the second wave across the globe and India contributed to significant volatility in global and Indian financial markets and a significant decrease in global and local economic activities. The ultimate duration and extent of the pandemic cannot reasonably be assessed and consequently the full impact on the business due to a COVID-19 related economic slowdown, changes in client sentiment and investment behaviour are currently unknown. The Company has continued to engage with clients and employees through the business continuity measures put in place and its technology platform with limited disruption. Further, the Company has assessed that it expects to navigate the currently prevailing uncertain economic conditions due to the more severe Second wave based on its business model, profile of assets and liabilities and availability of liquidity and capital at its disposal. However, the extent to which the COVID-19 pandemic will ultimately impact the Company's operations will depend on currently uncertain future developments. Based on its current assessment and the Board approved policy for provisioning the Company does not envisage the need for any additional Expected Credit Loss (ECL) provision on the receivables on account of the pandemic. However, ECL provisions required may differ from those estimated currently if situation worsens such future impact will be recognised prospectively.

Note 30. Previous year figures are regrouped/reclassified/rearranged wherever considered necessary to confirm to current year's presentation.

Note 31. Approval of Financial Statements

The financial statements were approved for issuance by the Board of Directors on 15th May 2021.



For and on behalf of the Board of Directors

Handwritten signature of Siddhartha Sengupta in black ink.

Siddhartha Sengupta
Chairman
(DIN: 08467648)

Handwritten signature of R. Mohan in blue ink.

R. Mohan
Director
(DIN: 00012070)

Place : Mumbai

Dated: May 15, 2021